



Report: 04.326
Date: 8 June 2004
File: B/05/03/01

Committee: Utility Services
Author: Murray Kennedy, Strategy and Asset Manager

Review of Charges for Private Water Supplies

1. Purpose

To consider the fixed charges for private water supplies.

2. Background

Greater Wellington Water supplies water directly to thirteen properties located adjacent to bulk mains in areas not serviced by the Territorial Authorities (TAs).

Fixed charges are made annually to recover the cost of supplying, replacing, and servicing meters, backflow prevention devices (BFPs) and pressure reducing valves (PRVs), undertaking six monthly meter readings and conducting annual testing of the BFPs by an Independently Qualified Person (IQP)

Last year, the fixed charges were reviewed for the first time since 1997 and resulted in an increase of approximately \$2800 to \$4470. Or about \$130 a connection.

The meter on each property is read in June and December, and the quantity of water billed at a rate equivalent to the all-in rate charged to the TAs. In July 2000 the billing rate was reduced from 44.4 cents to 42.6 cents per cubic metre.

3. Discussion

With the wholesale water charge remaining the same for the 2004/5 financial year, there is no justification for increasing the meter rate to the 13 private suppliers.

If a CPI index was applied to the fixed charges for the private supplies, the total increase would be about \$130. In view of the size of the sum, it is not economic to carry out a full review of the fixed charges.

4. Recommendations

That the Committee:

- (1) **approve** the retention of the current supply charge of 42.6 cents per cubic meter for the 2004/5 financial year.
- (2) **approve** the existing scale of fixed charges continuing for 2004/5.

Report prepared by:

Report approved by:

Murray Kennedy
Strategy and Asset Manager

David Benham
Divisional Manager
Utility Services Division